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105TH CONGRESS
1ST SESSION

S. 267

To provide for the imposition of administrative fees for medicare overpayment collection, and to require automated prepayment screening of medicare claims, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 1997

Mr. MCCAIN introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To provide for the imposition of administrative fees for medicare overpayment collection, and to require automated prepayment screening of medicare claims, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Reduction In Medicare Overpayment Costs Act of 1997".

SEC. 2. ADMINISTRATIVE FEES FOR MEDICARE OVERPAYMENT COLLECTION.

(a) ADMINISTRATIVE FEES FOR PROVIDERS OF SERVICES UNDER PART A.—Section 1815(d) of the Social Security Act (42 U.S.C. 1395g(d)) is amended by inserting "(1)" after "(d)" and by adding at the end the following new paragraph:

"(2)(A) Except as provided in subparagraph (B), if the payment of the excess described in paragraph (1) is not made (or effected by offset) within 30 days of the date of the determination, an administrative fee of 1 percent of the outstanding balance of the excess (after application of paragraph (1)), or such lower amount as an Administrative Law Judge may determine upon an appeal of the initial determination of the excess, shall be imposed on the provider, for deposit into the Trust Fund under this part.

"(B) The administrative fee shall be imposed under subparagraph (A) on a provider of services paid on a prospective basis only if such provider's cost report with respect to the payment determined to be in excess of the payment due under this part indicates that the provider's projected costs exceeded its actual costs by 30 percent or more.".

(b) ADMINISTRATIVE FEES FOR PROVIDERS OF SERVICES OR OTHER PERSONS UNDER PART B.—Section 1833(j) of the Social Security Act (42 U.S.C. 1395*l*(j))

is amended by inserting "(1)" after "(j)" and by adding at the end the following new paragraph:

"(2) If the excess described in paragraph (1) is not made (or effected by offset) within 30 days of the date of the determination, an administrative fee of 1 percent of the outstanding balance of the excess (after application of paragraph (1)), or such lower amount as an Administrative Law Judge may determine upon an appeal of the initial determination of the excess, shall be imposed on the provider, or other person receiving the excess, for deposit into the Trust Fund under this part.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to final determinations made on or after the date of enactment of this Act.

SEC. 3. AUTOMATED PREPAYMENT SCREENING REQUIREMENT.

(a) DETERMINATION BY ADMINISTRATOR.—By September 1 of each year (beginning with 1997), the Administrator of the Health Care Financing Administration, after consultation with the Comptroller General of the United States, shall determine—

(1) the medical diagnoses by providers of services under title XVIII of the Social Security Act which frequently result in overpayments to such providers under such title; and

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(2) the percentage of claims involving the diagnoses described in paragraph (1), that fiscal intermediaries and carriers under such title shall screen before payment is made in order to avoid such overpayments.

(b) REQUIREMENT FOR FISCAL INTERMEDIARIES AND CARRIERS.—The Secretary of Health and Human Services shall not enter into a contract with a fiscal intermediary or carrier under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) unless the Secretary finds that such intermediary or carrier will screen the claims for payment, in accordance with subsection (a), under such title.

(c) NOTICE TO FISCAL INTERMEDIARIES AND CARRIERS.—The Secretary shall cause to have published in the Federal Register, in the last 15 days of October of each year, the results of the determination made under subsection (a).

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